

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re Lexington Precision Corporation and Lexington Rubber Group, Inc
Debtor

Case No. 08-11153 & 08-11156
Reporting Period: May 2008

Federal Tax I.D. # 22-1830121 & 13-3525759

CORPORATE MONTHLY OPERATING REPORT – May 2008

File with the Court and submit a copy to the United States Trustee within 20 days after the end of the month and submit a copy of the report to any official committee appointed in the case.

(Reports for Rochester and Buffalo Divisions of Western District of New York are due 15 days after the end of the month, as are the reports for Southern District of New York.)

REQUIRED DOCUMENTS	Form No.	Document Attached	Explanation Attached
Schedule of Cash Receipts and Disbursements	MOR-1	Yes	Waived**
Bank Reconciliation (or copies of debtor's bank reconciliations)	MOR-1 (CONT)	No	Waived**
Copies of bank statements		No	Waived**
Cash disbursements journals		No	Waived**
Statement of Operations	MOR 2	Yes	Consolidated Statement of Operations
Reorganization items paid	MOR-2 (Cont.)	Yes	No explanation necessary.
Balance Sheet	MOR-3	Yes	Consolidated Statement of Operations
Status of Post-petition Taxes	MOR-4	Yes	No explanation necessary.
Copies of IRS Form 6123 or payment receipt		No	Waived**
Copies of tax returns filed during reporting period		No	Waived**
Summary of Unpaid Post-petition Debts	MOR-4	Yes	No explanation necessary.
Listing of Aged Accounts Payable		No	All post-petition accounts payable are current.
Accounts Receivable Reconciliation and Aging	MOR-5	Yes	No explanation necessary.
Taxes Reconciliation and Aging	MOR-5	Yes	No explanation necessary.
Payments to Insiders and Professional	MOR-6	Yes	No explanation necessary.
Post Petition Status of Secured Notes	MOR-6	Yes	No explanation necessary.
Debtor Questionnaire	MOR-7	Yes	No explanation necessary.

I declare under penalty of perjury (28 U.S.C. Section 1746) that this report and the attached documents are true and correct to the best of my knowledge and belief.

Signature of Debtor _____

Date _____

Signature of Authorized Individual* /s/ Dennis J. Welhouse _____

Date June 26, 2008 _____

Printed Name of Authorized Individual Dennis J. Welhouse _____

Date June 26, 2008 _____

Senior vice President and CFO

*Authorized individual must be an officer, director or shareholder if debtor is a corporation; a partner if debtor is a partnership; a manager or member if debtor is a limited liability company.

** Inclusion of this and certain other information has been waived per discussions with Official Creditors' Committee and the Office of the United States Trustee.

In re Lexington Precision Corporation
Debtor

Case No. 08-11153
Reporting Period: May 2008

SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS

Amounts reported should be from the debtor's books and not the bank statement. The beginning cash should be the ending cash from the prior month or, if this is the first report, the amount should be the balance on the date the petition was filed. The amounts reported in the "CURRENT MONTH - ACTUAL" column must equal the sum of the four bank account columns. Attach copies of the bank statements and the cash disbursements journal. The total disbursements listed in the disbursements journal must equal the total disbursements reported on this page. A bank reconciliation must be attached for each account. [See MOR-1 (CON'T)]

	BANK ACCOUNTS				
	OPER	PAYROLL	TAX	OTHER	CURRENT MONTH ACTUAL (TOTAL OF ALL ACCOUNTS)
ACCOUNT NUMBER (LAST 4)					
CASH BEGINNING OF MONTH					
RECEIPTS					
ACCOUNTS RECEIVABLE					1,114,207.87
DIP LOANS					-
OTHER: Premier Tool and Die					-
OTHER: Miscellaneous Receipts					4,787.89
TOTAL RECEIPTS					1,118,995.76
DISBURSEMENTS					
NET PAYROLL					
PAYROLL TAXES					
SALES, USE, & OTHER TAXES					
INVENTORY PURCHASES					
SECURED/ RENTAL/ LEASES					
INSURANCE					
ADMINISTRATIVE					
SELLING					
OTHER (ATTACH LIST)					
OWNER DRAW *					
TRANSFERS (TO DIP ACCTS)					
PROFESSIONAL FEES					
U.S. TRUSTEE QUARTERLY FEES					
COURT COSTS					
TOTAL DISBURSEMENTS					1,483,527.18
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)					
CASH - END OF MONTH					

* COMPENSATION TO SOLE PROPRIETORS FOR SERVICES RENDERED TO BANKRUPTCY ESTATE

THE FOLLOWING SECTION MUST BE COMPLETED

DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES: (FROM CURRENT MONTH ACTUAL COLUMN)

TOTAL DISBURSEMENTS	\$1,483,527.18
LESS: TRANSFERS TO OTHER DEBTOR IN POSSESSION ACCOUNTS	\$0.00
PLUS: ESTATE DISBURSEMENTS MADE BY OUTSIDE SOURCES (i.e. from escrow accounts)	\$0.00
TOTAL DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES	\$1,483,527.18

In re Lexington Rubber Group, Inc.
DebtorCase No. 08-11156
Reporting Period: May 2008**SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS**

Amounts reported should be from the debtor's books and not the bank statement. The beginning cash should be the ending cash from the prior month or, if this is the first report, the amount should be the balance on the date the petition was filed. The amounts reported in the "CURRENT MONTH - ACTUAL" column must equal the sum of the four bank account columns. Attach copies of the bank statements and the cash disbursements journal. The total disbursements listed in the disbursements journal must equal the total disbursements reported on this page. A bank reconciliation must be attached for each account. [See MOR-1 (CON'T)]

	BANK ACCOUNTS				
	OPER	PAYROLL	TAX	OTHER	CURRENT MONTH ACTUAL (TOTAL OF ALL ACCOUNTS)
ACCOUNT NUMBER (LAST 4)					
CASH BEGINNING OF MONTH					
RECEIPTS					
ACCOUNTS RECEIVABLE					5,417,902.55
DIP LOANS					-
OTHER: Premier Tool and Die					-
OTHER: Miscellaneous Receipts					12,637.48
TOTAL RECEIPTS					5,430,540.03
DISBURSEMENTS					
NET PAYROLL					
PAYROLL TAXES					
SALES, USE, & OTHER TAXES					
INVENTORY PURCHASES					
SECURED/ RENTAL/ LEASES					
INSURANCE					
ADMINISTRATIVE					
SELLING					
OTHER (ATTACH LIST)					
OWNER DRAW *					
TRANSFERS (TO DIP ACCTS)					
PROFESSIONAL FEES					
U.S. TRUSTEE QUARTERLY FEES					
COURT COSTS					
TOTAL DISBURSEMENTS					5,090,359.87
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)					
CASH – END OF MONTH					

* COMPENSATION TO SOLE PROPRIETORS FOR SERVICES RENDERED TO BANKRUPTCY ESTATE

THE FOLLOWING SECTION MUST BE COMPLETED

DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES: (FROM CURRENT MONTH ACTUAL COLUMN)

TOTAL DISBURSEMENTS	\$5,090,359.87
LESS: TRANSFERS TO OTHER DEBTOR IN POSSESSION ACCOUNTS	\$0.00
PLUS: ESTATE DISBURSEMENTS MADE BY OUTSIDE SOURCES (i.e. from escrow accounts)	\$0.00
TOTAL DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES	\$5,090,359.87

LEXINGTON PRECISION CORPORATION – CONSOLIDATED

May 2008

CONSOLIDATED STATEMENTS OF EARNINGS

MONTH

in thousands of dollars

Case no's 08-11153 & 08-11156

	MONTH	
	Actual	
Gross sales	6,707	100.5 %
Returns	19	0.3
Discounts & allowances	12	0.2
Net sales	6,676	100.0
Cost of sales:		
Material cost	1,950	29.2
Direct labor	751	11.2
Factory overhead	2,977	44.6
Total	5,678	85.1
Gross profit	998	14.9
Selling, general & admin. expense:		
Marketing & sales	108	1.6
General & administrative	836	12.5
Total	944	14.1
Operating profit	54	0.8
Nonoperating expense (income):		
Interest expense (1)	680 (2)	10.2
Interest (income)	(14)	(0.2)
Unrealized loss (gain) on trading securities	—	—
Total	666	10.0
Earnings (loss) before taxes	(612)	(9.2)
Income taxes	2	0.0
Earnings (loss) from continuing operations	(614)	(9.2)
Income (loss) from discontinued operations	(15)	(0.2)
Net income (loss)	(629)	(9.4) %
EBITDA:		
Operating Profit	54	0.8 %
Depreciation	426	6.4
Amortization (operating only)	17	0.3
EBITDA	497	7.4 %

Other Data & Statistics:

Average number of employees (#)	644	NA
Sales per employee (\$)	124	NA

(1) Excludes interest expense of \$14,000 allocated to discontinued operations for the month of May 2008.

(2) Includes \$87,000 of accrued, unpaid, and disputed interest for the holders of the Company's unsecured debt, \$34,000 of interest for the holders of the Company's DIP loan, and amortization of charges from the holders of the Company's DIP loan in the amount of \$14,000 during May 2008.

In re **Lexington Precision Corporation - Consolidated**
Debtor

Case No. **08-11153 & 08-11156**
Reporting Period: **May 2008**

REORGANIZATION ITEMS		
Professional Fees		
U. S. Trustee Quarterly Fees		
Interest Paid to Lexington on Accumulated Cash from Chapter 11 (<i>see continuation sheet</i>)	4,407.29	
Gain (Loss) from Sale of Equipment		
Other Reorganization Expenses (<i>attach schedule</i>)		
DIP Interest	11,111.12	
Epiq Bankruptcy Solutions, LLC	25,197.00	
Deposit with Capital One to complete Phase 1 due diligence	21,200.00	
Total Reorganization Expenses		
Income Taxes		
Net Profit (Loss)		

**"Insider" is defined in 11 U.S.C. Section 101(31).

BREAKDOWN OF "OTHER" CATEGORY

OTHER COSTS

OTHER OPERATIONAL EXPENSES

OTHER INCOME

OTHER EXPENSES

OTHER REORGANIZATION EXPENSES

Reorganization Items - Interest Earned on Accumulated Cash from Chapter 11:

Interest earned on cash accumulated during the chapter 11 case, which would not have been earned but for the bankruptcy proceeding, should be reported as a reorganization item.

Lexington Precision Corporation - Consolidated
Case No. 08-11153 & 08-11156

Status of Post-Petition Taxes
May 2008

	5/1	5/6	5/7	5/8	5/14	5/15	5/21	5/22	5/28	5/29		Totals
Federal												
FICA - Employee	18,652.10	-	5,959.47	18,759.23	28,591.98	18,616.78	5,727.07	18,290.32	4,957.70	40,242.69	-	159,797.34
FICA - Employer	18,652.28	-	5,959.40	18,759.14	28,591.94	17,493.21	5,727.07	18,290.18	4,957.71	40,242.94	-	158,673.87
Unemployment	171.73	-	28.81	144.04	49.87	1,206.27	33.13	114.80	17.34	126.28	-	1,892.27
Income	19,369.50	-	6,999.45	19,326.60	42,008.76	13,836.90	6,446.27	19,278.19	5,220.63	53,377.01	-	185,863.31
Other:	-	-	-	-	-	5,382.68	-	-	-	-	-	5,382.68
Total Federal Taxes	56,845.61	-	18,947.13	56,989.01	99,242.55	56,535.84	17,933.54	55,973.49	15,153.38	133,988.92	-	511,609.47
State and Local												
GA - Georgia												
Withholding	3,952.47	-	-	3,888.84	3,343.75	3,674.36	-	3,509.29	-	7,520.88	-	25,889.59
Unemployment	1,242.53	-	-	813.09	-	583.58	-	446.42	-	374.51	-	3,460.13
Real Property	-	-	-	-	-	-	-	-	-	-	-	-
Other:	-	-	-	-	-	-	-	-	-	-	-	-
NY - New York												
Withholding	1,996.15	-	-	2,002.73	1,910.33	2,107.39	-	2,015.05	-	4,124.62	-	14,156.27
Unemployment	1,344.14	-	-	1,059.25	-	1,021.86	-	893.80	-	697.67	-	5,016.72
Real Property	-	-	-	-	-	-	-	-	-	-	-	-
Other: DI	-	-	-	-	-	-	-	-	-	-	-	-
OH - Ohio												
Withholding	578.92	-	1,970.74	680.34	6,437.81	464.83	1,881.38	568.68	1,525.85	4,782.97	-	18,891.52
Unemployment	155.67	-	761.70	68.32	868.23	52.56	669.98	63.55	404.76	239.97	-	3,284.74
Real Property	-	-	-	-	-	-	-	-	-	-	-	-
Other: CAT	-	550.00	-	-	-	-	-	-	-	-	-	550.00
PA - Pennsylvania												
Withholding	-	-	109.75	-	238.35	-	95.40	-	88.60	138.42	-	670.52
Unemployment	-	-	-	-	-	-	-	-	-	-	-	-
Real Property	-	-	-	-	-	-	-	-	-	-	-	-
Other:	-	-	-	-	-	-	-	-	-	-	-	-
SC - South Carolina												
Withholding	2,712.00	-	-	2,760.11	2,661.17	3,111.78	-	3,058.82	-	4,728.00	-	19,031.88
Unemployment	123.68	-	-	196.63	-	173.87	-	195.05	-	184.74	-	873.97
Real Property	-	-	-	-	-	-	-	-	-	-	-	-
Other:	-	-	-	-	-	-	-	-	-	-	-	-
AK - Akron City, OH	16.36	-	-	50.56	-	16.36	-	16.36	-	16.36	-	116.00
BR - Brewster VLG, OH	12.45	-	-	12.22	-	10.46	-	8.40	-	9.20	-	52.73
CA - Canton City, OH	9.01	-	-	8.23	-	9.01	-	34.66	-	7.11	-	68.02
CO - Columbiana, OH	-	-	7.41	-	6.17	-	7.57	-	6.17	-	-	27.32
CS - Col SD, OH	-	-	6.94	-	5.78	-	7.09	-	5.78	-	-	25.59
GI - Girard City, OH	-	-	74.80	-	67.72	-	73.77	-	61.23	-	-	277.52
GR - Green City, OH	-	-	-	-	43.75	-	-	-	-	43.75	-	87.50
HU - Hubbard City, OH	-	-	6.52	-	6.52	-	6.52	-	6.37	-	-	25.93
MD - McDonald Vll, OH	-	-	57.28	-	102.26	-	61.17	-	50.46	31.85	-	303.02
NC - No Canton Ci, OH	-	-	-	-	47.37	-	-	-	-	47.37	-	94.74
NF - New Franklin, OH	7.34	-	-	7.41	-	7.34	-	7.27	-	6.51	-	35.87
NI - Niles City, OH	-	-	71.85	-	162.65	-	72.52	-	69.99	89.74	-	466.75
NP - New Philadel, OH	-	-	-	-	20.23	-	-	-	-	20.23	-	40.46
PP - Pepper Pike	-	-	-	-	105.59	-	-	-	-	110.09	-	215.68
PY - Pymatuning T, PA	-	-	13.61	-	11.77	-	10.84	-	10.84	-	-	47.06
SH - Sharon City, PA	-	-	11.44	-	56.52	-	11.43	-	9.67	45.09	-	134.15
SL - Springfield LS, OH	-	-	9.24	-	9.58	-	7.65	-	4.52	-	-	30.99
SP - Sharpsville, PA	-	-	5.32	-	4.14	-	3.53	-	5.32	-	-	18.31
ST - Struthers Ci, OH	-	-	10.43	-	10.43	-	9.85	-	10.43	-	-	41.14
SW - Stow City, OH	-	-	-	-	15.72	-	-	-	-	-	-	15.72
WA - Warren City, OH	-	-	152.11	-	171.19	-	141.15	-	116.32	-	-	580.77
YT - Youngstown C, OH	-	-	19.32	-	47.20	-	16.92	-	14.53	-	-	97.97
Total State and Local	12,150.72	550.00	3,288.46	11,547.73	16,354.23	11,233.40	3,076.77	10,817.35	2,390.84	23,219.08	-	94,628.58
Total Taxes	68,996.33	550.00	22,235.59	68,536.74	115,596.78	67,769.24	21,010.31	66,790.84	17,544.22	157,208.00	-	606,238.05

SUMMARY OF UNPAID POST-PETITION DEBTS

Attach aged listing of accounts payable.

Number of Days Past Due						
	Current	0-30	31-60	61-90	Over 91	Total
Accounts Payable						
Wages Payable						
Taxes Payable						
Rent/Leases-Building						
Rent/Leases-Equipment						
Secured Debt/Adequate	There are no unpaid post petition debts. All debts are either paid or within credit terms.					
Professional Fees						
Amounts Due to Insiders						
Other: _____						
Other: _____						
Total Post-petition Debts						

MOR - 4 (2)

LEXINGTON PRECISION CORPORATION – CONSOLIDATED

May 2008

CONSOLIDATED BALANCE SHEETS

in thousands of dollars

Case no's 08-11153 & 08-11156

ASSETS	Actual
Current assets:	
Cash	8,091
Marketable securities	177
Accounts receivable	10,793
Inventories	9,396
Prepaid expenses and other current assets	1,906
Deferred income taxes	98
Current assets of discontinued operations	13
Total current assets	<u>30,474</u>
Plant & equipment	
Land	1,991
Buildings	13,374
Machinery & equipment	<u>111,404</u>
	126,769
Accumulated depreciation	<u>106,858</u>
Plant & equipment, net	<u>19,911</u>
Plant & equipment of discontinued operations, net	1,293
Goodwill	7,623
Deferred financing expenses	107
Other assets	<u>631</u>
	<u>60,039</u>
LIABILITIES & SHAREHOLDERS' DEFICIT	
Current liabilities:	
Accounts payable	7,437 (1)
Accrued income taxes	(31)
Accrued interest expense	10,368
Accrued operating expenses	4,449
Short-term debt	14,219
Current portion of LTD	61,066
Current liabilities of discontinued operations	<u>236 (1)</u>
Total current liabilities	<u>97,744</u>
Long-term debt, net of current portion	–
Long-term portion of post-retirement obligation	269
Other long term liabilities	148
Deferred income taxes	98
Shareholders' deficit:	
Common stock	1,240
Add'l paid-in-capital	13,191
Accumulated deficit	(52,614)
Accumulated other comprehensive loss	<u>(37)</u>
Total shareholders' deficit	<u>(38,220)</u>
	<u>60,039</u>

(1) As of May 31, 2008, accounts payable and current liabilities of discontinued operations include prepetition accounts payable in the amount of approximately \$5,820,000 and \$174,000, respectively.

In re Lexington Precision Corporation - Consolidated
Debtor

Case No. 08-11153 & 08-11156
Reporting Period: May 2008

ACCOUNTS RECEIVABLE RECONCILIATION AND AGING

Accounts Receivable Reconciliation	Amount
Total Accounts Receivable at the beginning of the reporting period	11,137,482.40
Plus: Amounts billed during the period	6,828,877.64
Less: Amounts collected during the period	6,541,469.42
Less: Miscellaneous adjustments	136,580.53
Total Accounts Receivable at the end of the reporting period	11,288,310.09

Accounts Receivable Aging	0-30 Days	31-60 Days	61-90 Days	91+ Days	Total
0 - 30 days old	8,721,658.67	-	-	-	8,721,658.67
31 - 60 days old	-	1,467,290.93	-	-	1,467,290.93
61 - 90 days old	-	-	430,975.73	-	430,975.73
91+ days old	-	-	-	668,384.76	668,384.76
Total Accounts Receivable	8,721,658.67	1,467,290.93	430,975.73	668,384.76	11,288,310.09
Less: Bad Debts (Amount considered uncollectible)	-	-	-	-	531,000.00
Plus: Accrual adjustment	-	-	-	-	36,000.00
Net Accounts Receivable	-	-	-	-	10,793,310.09

TAXES RECONCILIATION AND AGING

Taxes Payable	0-30 Days	31-60 Days	61-90 Days	91+ Days	Total
0 - 30 days old					
31 - 60 days old					
61 - 90 days old					
91+ days old					
Total Taxes Payable					
Total Accounts Payable					

In re LEXINGTON PRECISION CORPORATION
Debtor

Case No. 08-11153 & 08-11156
Reporting Period: May 2008

PAYMENTS TO INSIDERS AND PROFESSIONALS

Of the total disbursements shown on the Cash Receipts and Disbursements Report (MOR-1) list the amount paid to insiders (as defined in Section 101(31) (A)-(F) of the U.S. Bankruptcy Code) and to professionals. For payments to insiders, identify the type of compensation paid (e.g. Salary, Bonus, Commissions, Insurance, Housing Allowance, Travel, Car Allowance, Etc.). Attach additional sheets if necessary.

INSIDERS			
NAME	TYPE OF PAYMENT	AMOUNT PAID	TOTAL PAID TO DATE
Lubin, Delano & Company	Annual Meeting Fee	3,000.00	
Michael Lubin	Debtor-in-Possession Interest	5,555.56	
William B. Conner	Debtor-in-Possession Interest	4,166.67	
William B. Conner	Annual Meeting Fee	1,500.00	
Kenneth I. Greenstein	Annual Meeting Fee	1,500.00	
Kenneth I. Greenstein	Phone Audit Meeting Fee	750.00	
Phoenix Advisors, LLC (Joseph A. Pardo)	Annual Meeting Fee	1,500.00	
Phoenix Advisors, LLC (Joseph A. Pardo)	Phone Audit Meeting Fee	750.00	
Elizabeth H. Ruml	Annual Meeting Fee	1,500.00	
Elizabeth H. Ruml	Phone Audit Meeting Fee	750.00	
Dennis J. Welhouse	5/15/08 Salary	6,716.67	
Dennis J. Welhouse	5/30/08 Salary	6,716.67	
TOTAL PAYMENTS TO INSIDERS		34,405.57	

PROFESSIONALS					
NAME	DATE OF COURT ORDER AUTHORIZING PAYMENT	AMOUNT APPROVED	AMOUNT PAID	TOTAL PAID TO DATE	TOTAL INCURRED & UNPAID*
Thompson Hine LLP			445.75		
TOTAL PAYMENTS TO PROFESSIONALS			445.75		

* INCLUDE ALL FEES INCURRED, BOTH APPROVED AND UNAPPROVED

**POST-PETITION STATUS OF SECURED NOTES
AND ADEQUATE PROTECTION PAYMENTS**

NAME OF CREDITOR	SCHEDULED MONTHLY PAYMENT DUE	AMOUNT PAID DURING MONTH	TOTAL UNPAID POST-PETITION
CapitalSource finance LLC (as agent) 4445 Willard Avenue 12th Floor Chevy Chase, MD 20815 and Webster Business Credit Corporation 3600 Lexington Avenue, 5th Floor New York, NY 10017	208,333.33	208,333.33	8,125,000.07
CSE Mortgage LLC and DMD Special Situations units of CapitalSource finance LLC (as agent) 4445 Willard Avenue 12th Floor Chevy Chase, MD 20815	61,111.11	61,111.11	13,716,666.69
Commercial Alloys (1) 1831 Highland Road Twinsburg, OH 44087	5,990.40	5,990.40	22,925.00
Great American Leasing Corporation PO Box 609 Cedar Rapids, Iowa 52406-0609	1,161.21	0.00	15,883.58
TOTAL PAYMENTS		275,434.84	21,880,475.34

(1) The amount shown as paid during May is actually a credit received from the Company (Commercial Alloys) that financed the equipment (a machine that cleans metal shavings) securing this debt. Commercial alloys purchases the scrap metal shavings generated by Lexington's Rochester, New York metal machining facility and credits \$0.10 per pound of metal shavings purchased against the cost of the machine.

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In re Lexington Precision Corporation - Consolidated
Debtor

Case No. 08-11153 & 08-11156
Reporting Period: May 2008

DEBTOR QUESTIONNAIRE

Must be completed each month. If the answer to any of the questions is "Yes", provide a detailed explanation of each item. Attach additional sheets if necessary.		Yes	No
1	Have any assets been sold or transferred outside the normal course of business this reporting period?		X
2	Have any funds been disbursed from any account other than a debtor in possession account this reporting period?		X
3	Is the Debtor delinquent in the timely filing of any post-petition tax returns?		X
4	Are workers compensation, general liability or other necessary insurance coverages expired or cancelled, or has the debtor received notice of expiration or cancellation of such policies?	X (To date, standard end of term (June 30, 2008) <u>non-renewal</u> notices.)	
5	Is the Debtor delinquent in paying any insurance premium payment?		X
6	Have any payments been made on pre-petition liabilities this reporting period?		X
7	Are any post petition receivables (accounts, notes or loans) due from related parties?		X
8	Are any post petition payroll taxes past due?		X
9	Are any post petition State or Federal income taxes past due?		X
10	Are any post petition real estate taxes past due?		X
11	Are any other post petition taxes past due?		X
12	Have any pre-petition taxes been paid during this reporting period?		X
13	Are any amounts owed to post petition creditors delinquent?		X
14	Are any wage payments past due?		X
15	Have any post petition loans been received by the Debtor from any party?		X
16	Is the Debtor delinquent in paying any U.S. Trustee fees?		X
17	Is the Debtor delinquent with any court ordered payments to attorneys or other professionals?		X
18	Have the owners or shareholders received any compensation outside of the normal course of business?	Yes	See footnote (1)

- (1) Michael A. Lubin, Chairman of the Board, and William B. Conner, a Director of the Company, received DIP interest during May 2008 in the amounts of \$5,555.56 and \$4,166.67, respectively.